

# How Oregon's Housing Market Affects Homelessness in the State

Pacific Northwest Regional Economic  
Conference

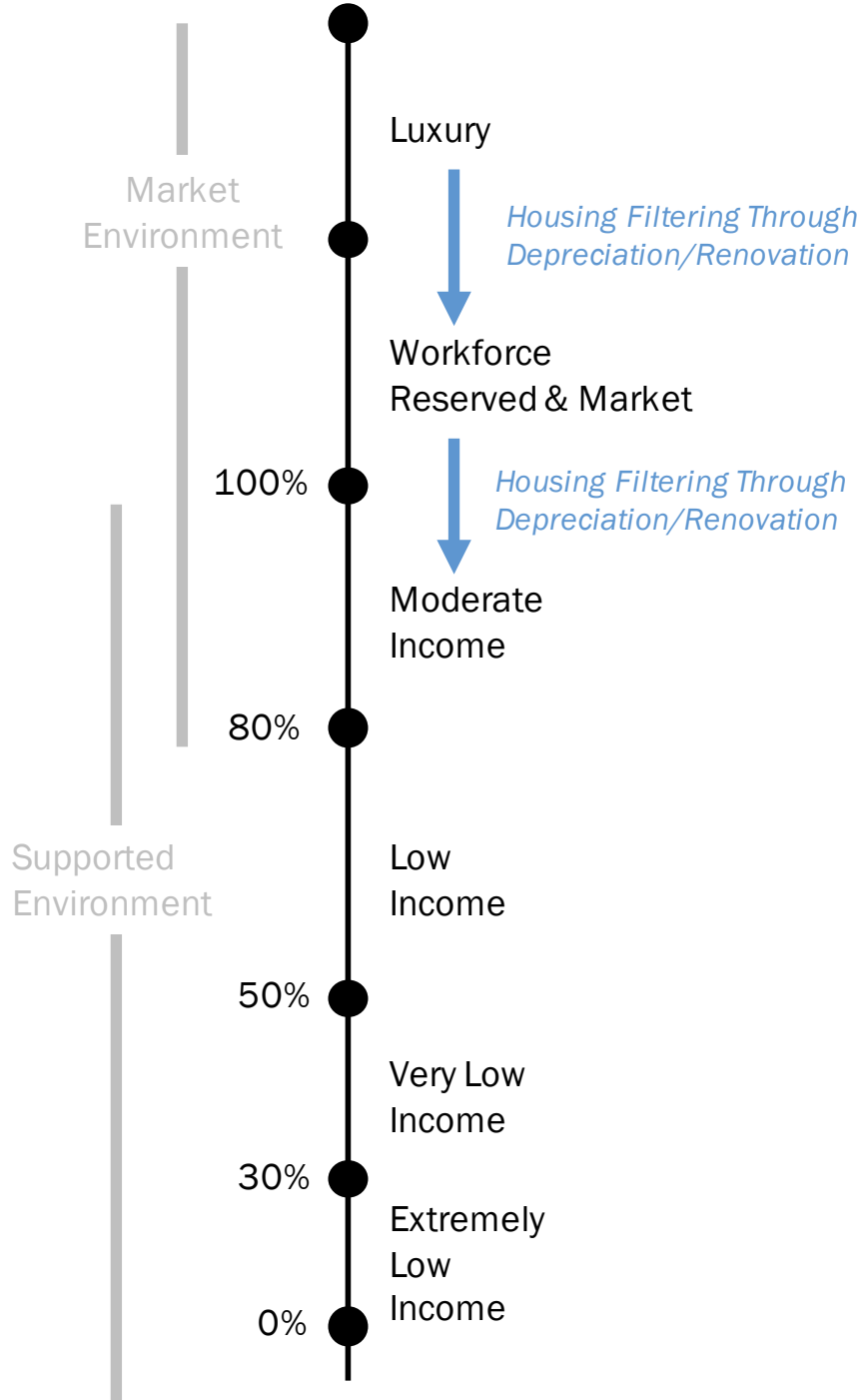
May 22, 2019

Madeline Baron, Project Manager

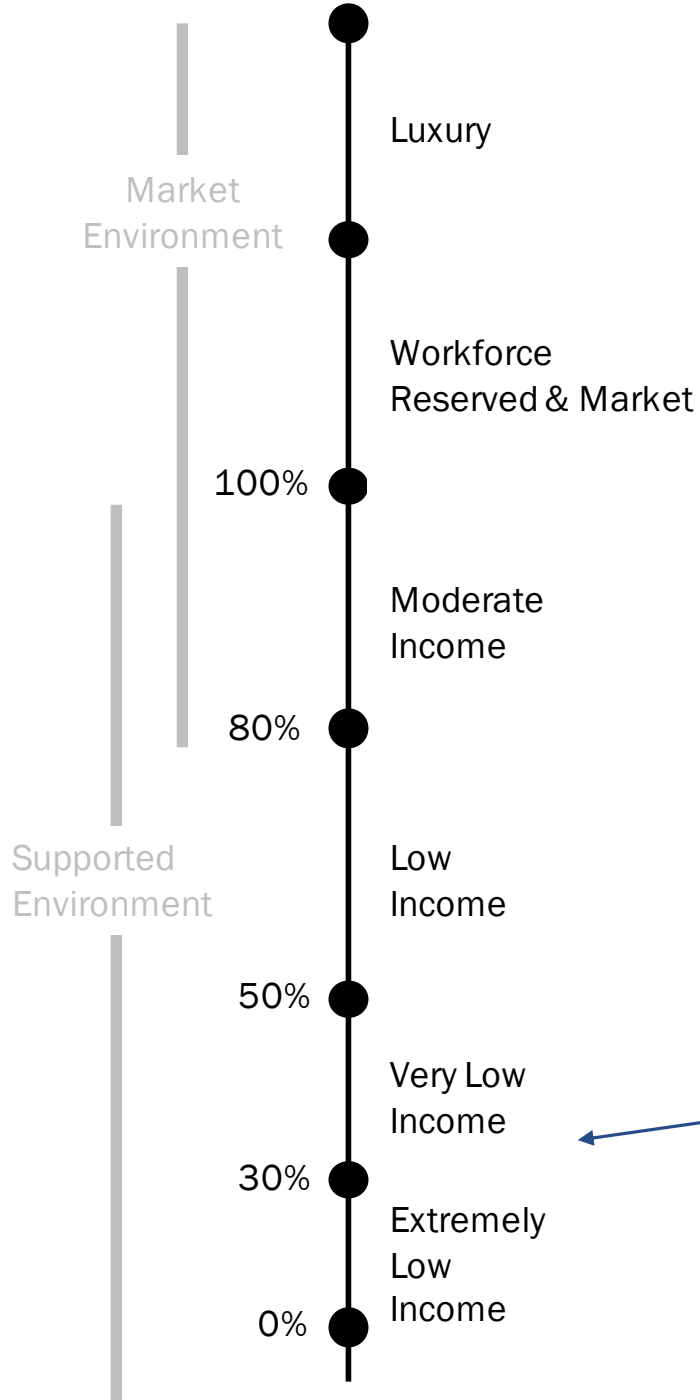
# Agenda

- Housing Spectrum Barriers
- Implications of these Barriers
- Homelessness Trends
- Economic Predictors of Homelessness
- Key Takeaways

# The Housing Spectrum



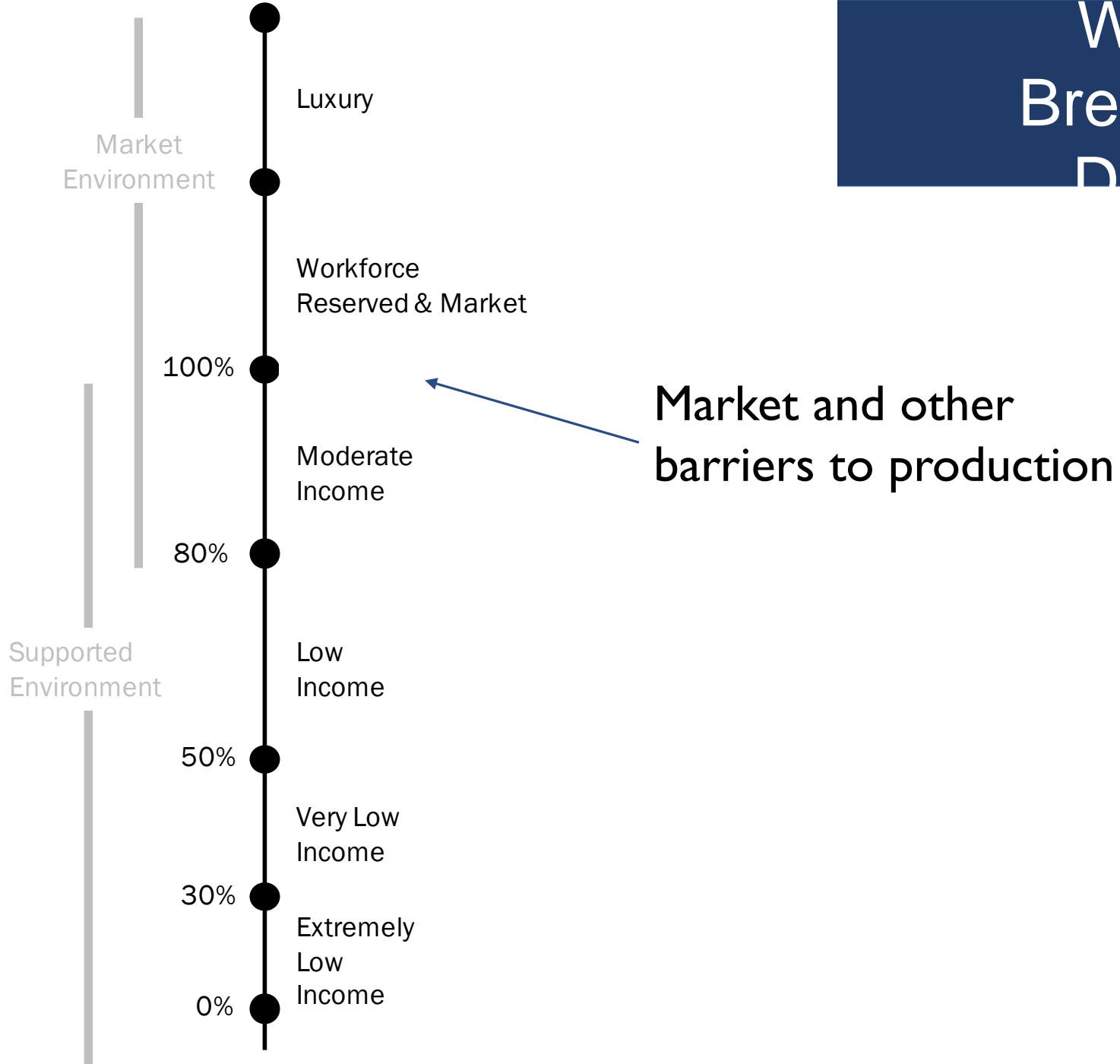
# What's Breaking Down?



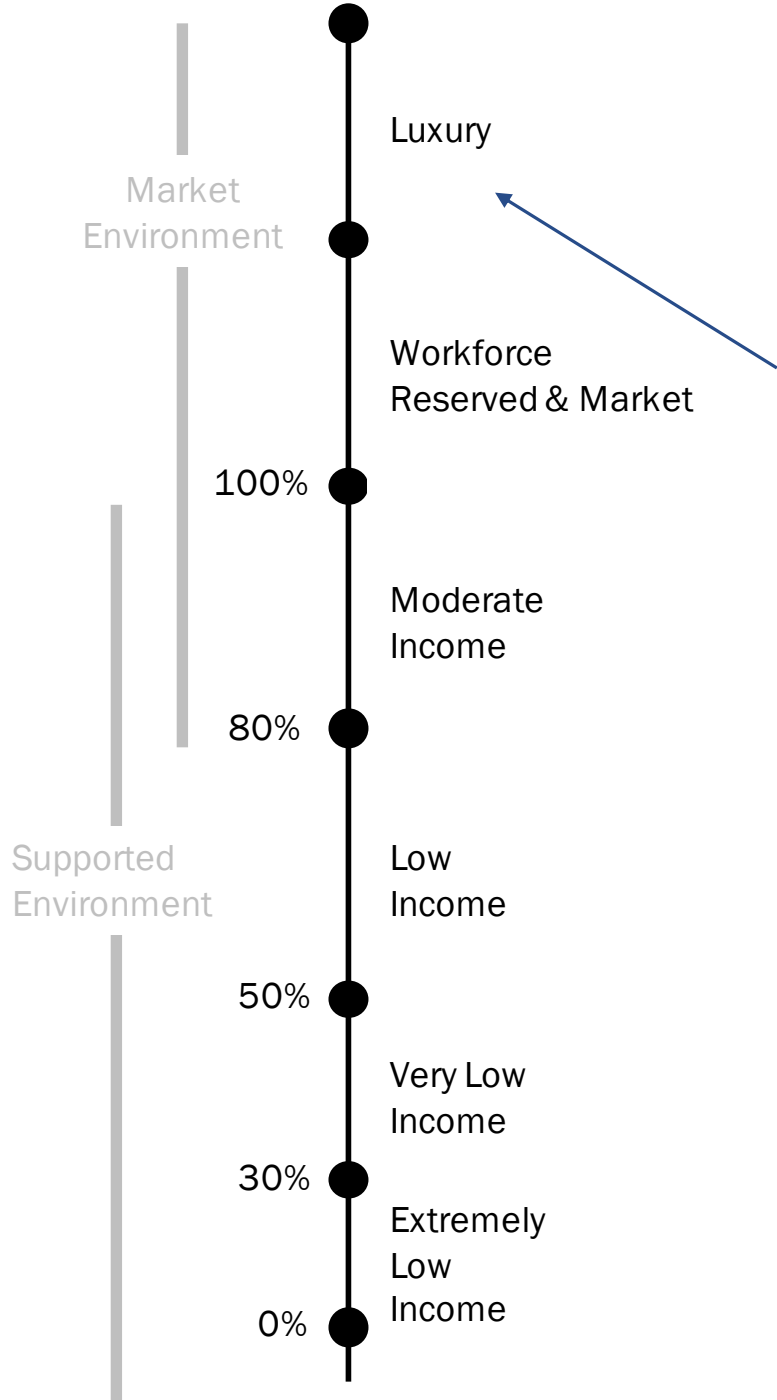
Decreases in federal  
\$\$ for subsidized  
housing production



# What's Breaking Down?



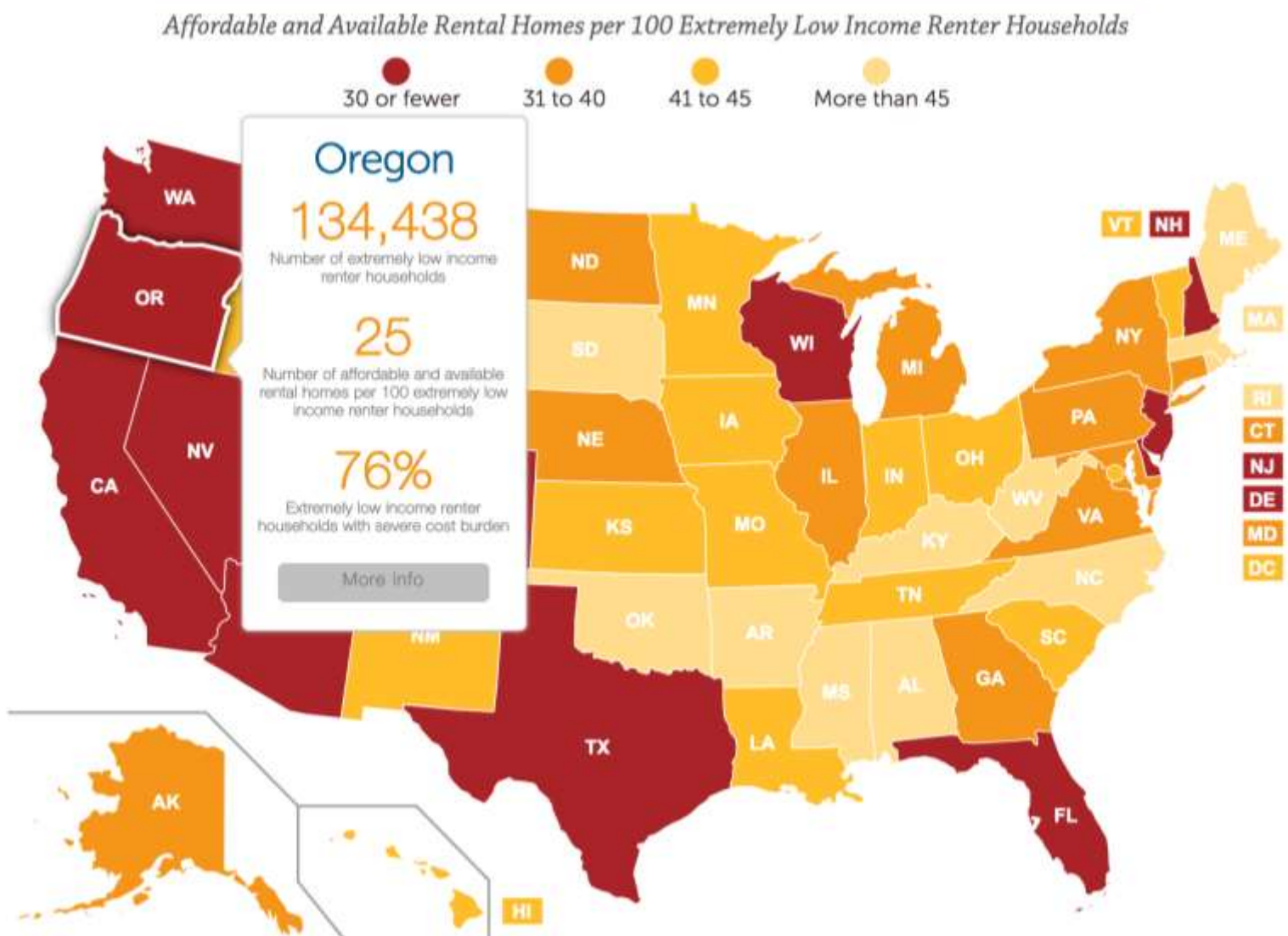
# What's Breaking Down?



In current market in urban areas, nearing market saturation.

In some parts of the State, market does not exist.

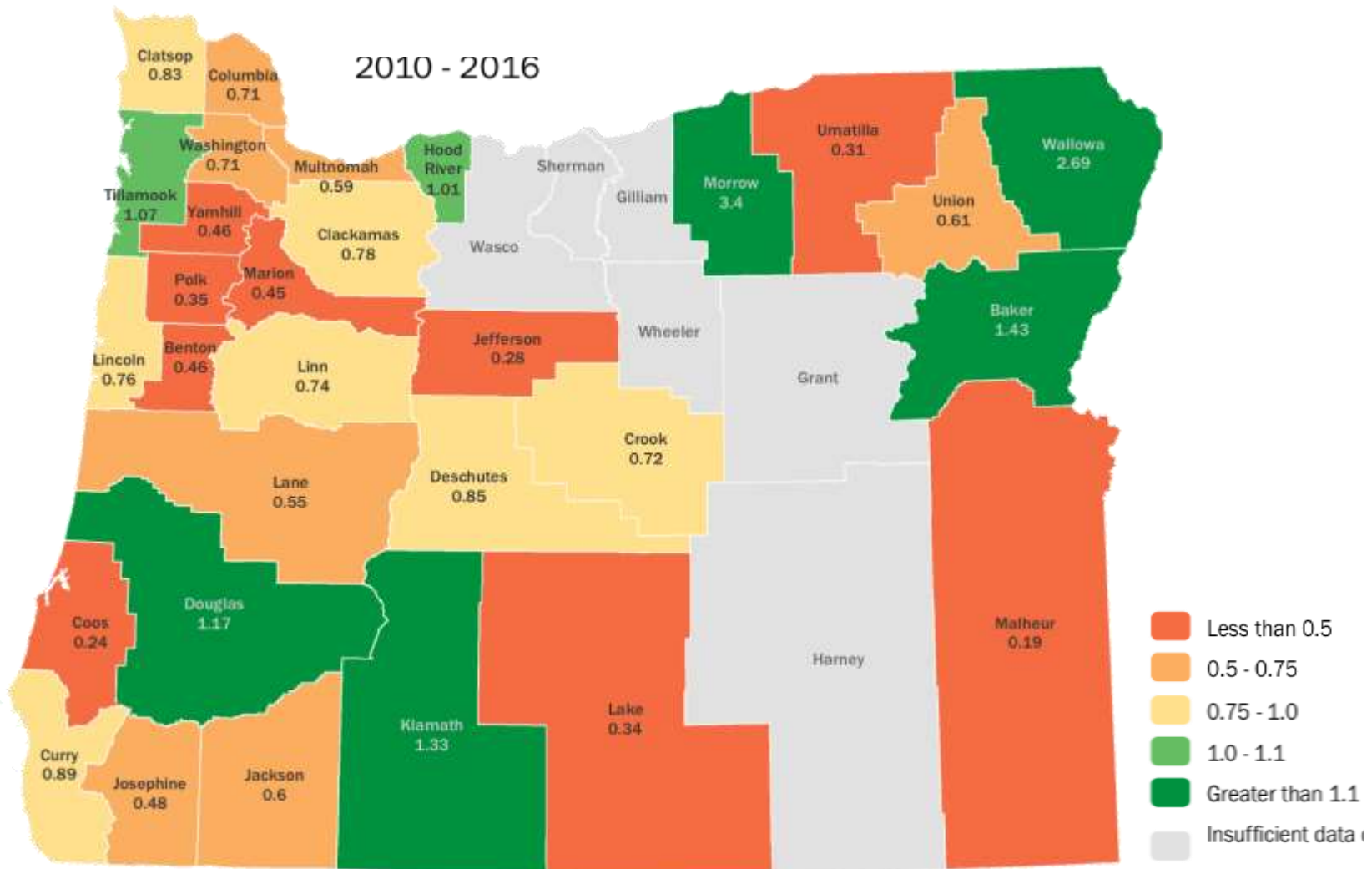
# Implication 1) Underproduction of Affordable Units



Source: National Low Income Housing Coalition, "The Gap: A Shortage of Affordable Rental Homes, 2017"

# Implication 2) Underproduction of all units

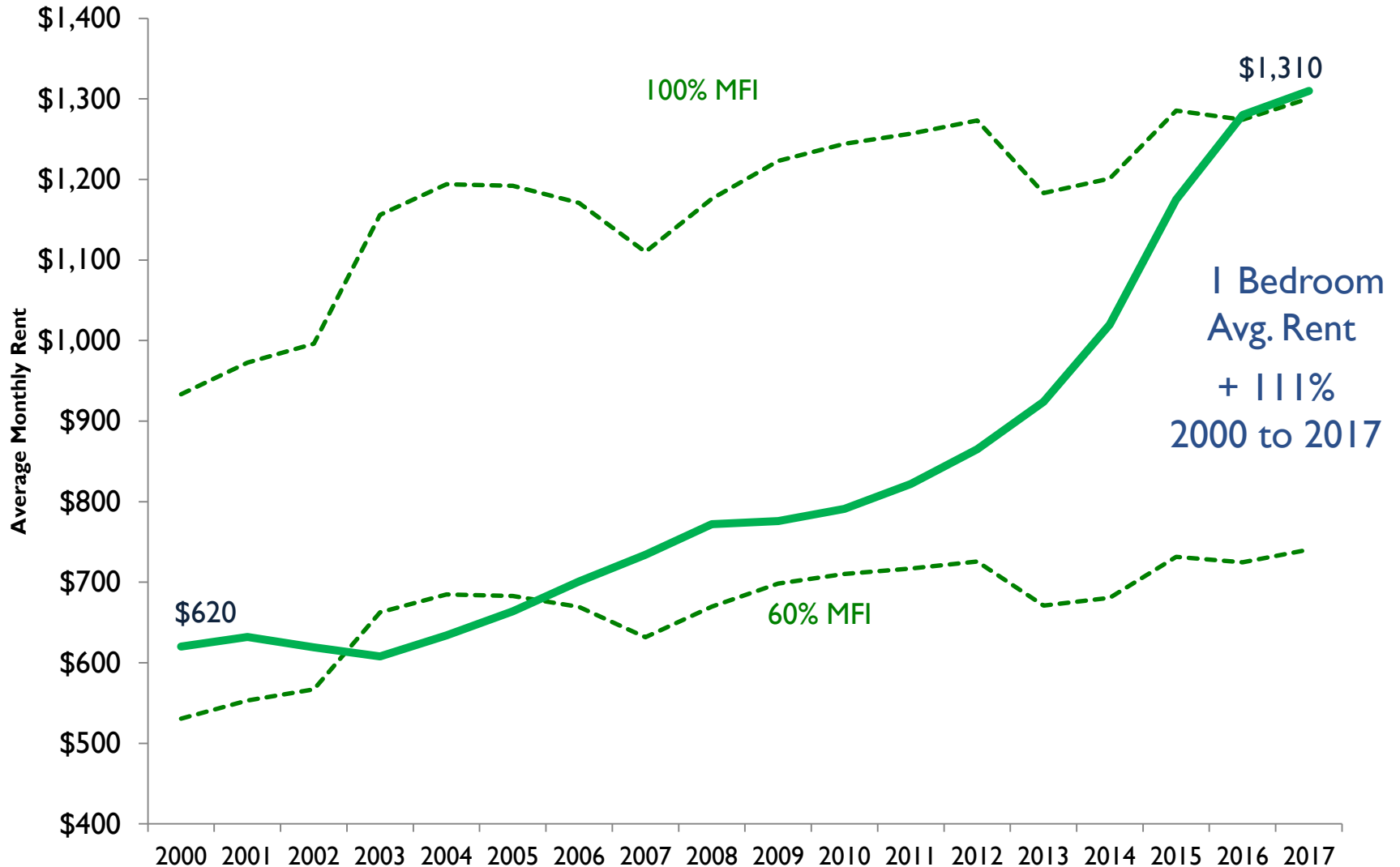
0.63 Housing Starts per Household Formed 2010 to 2016



Source: U.S. Census, Moody's Analytics, ECONorthwest Calculations



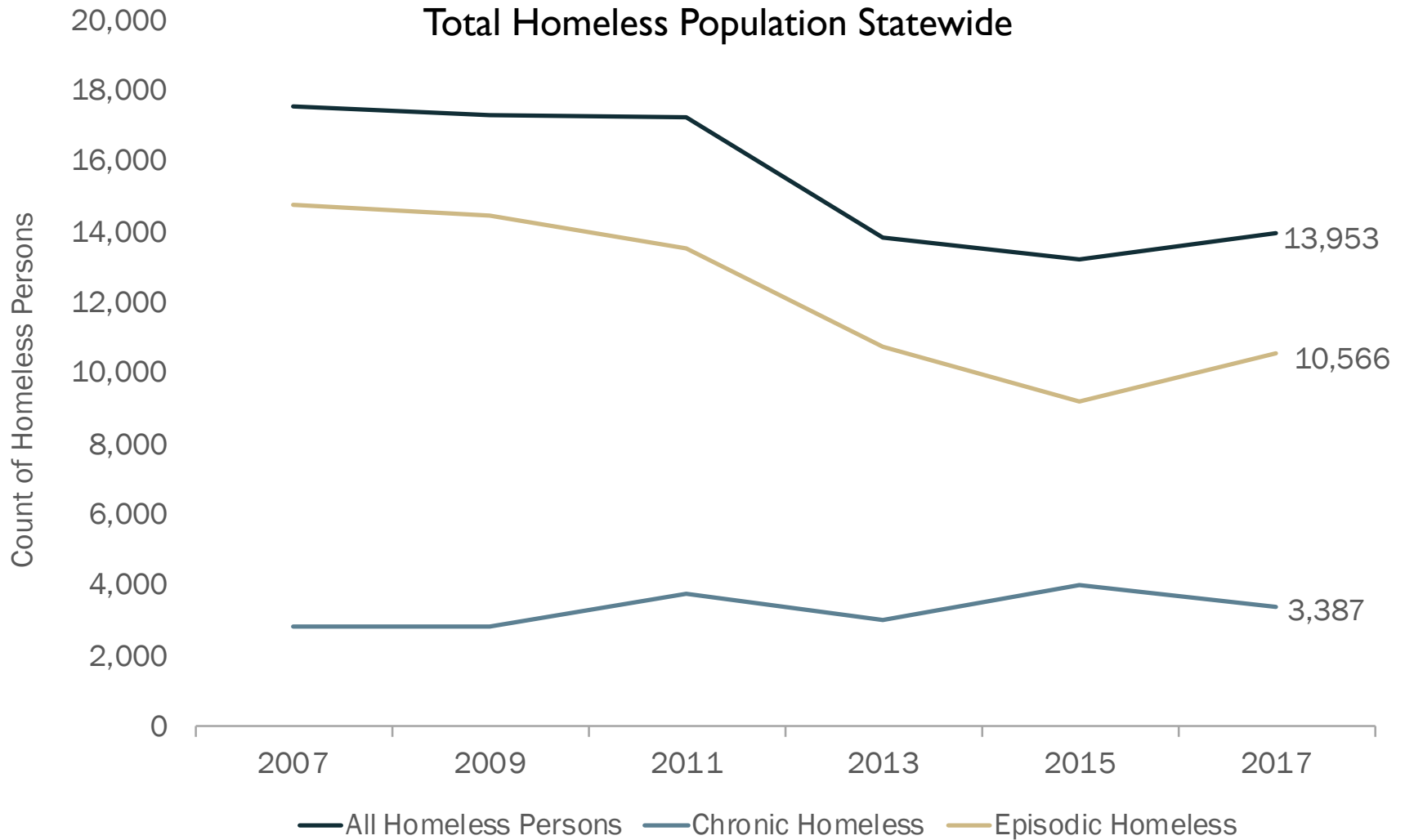
# Implications 3) Rising Housing Prices



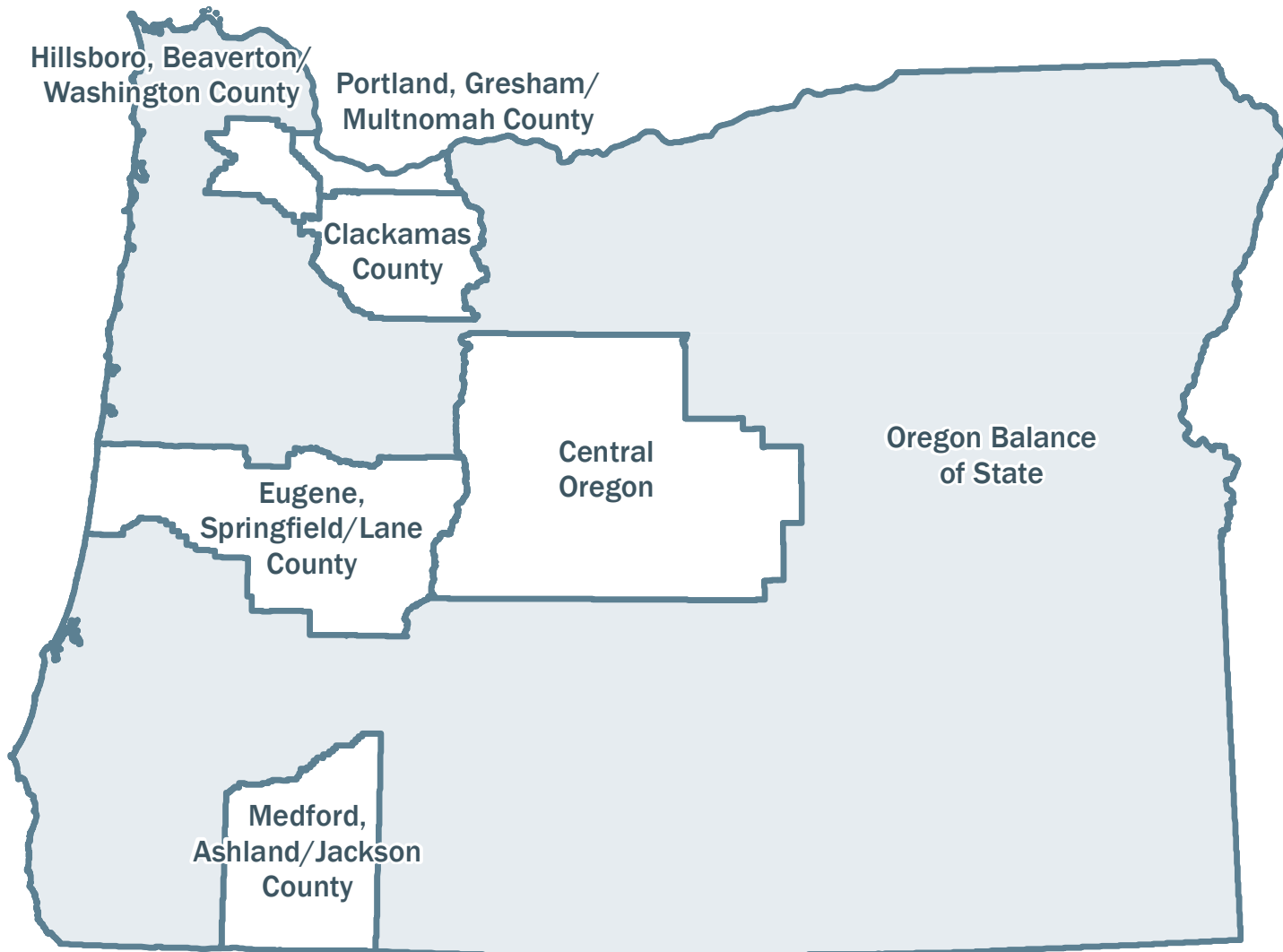
Source: Costar, HUD, ECONorthwest Calculations, for the City of Portland



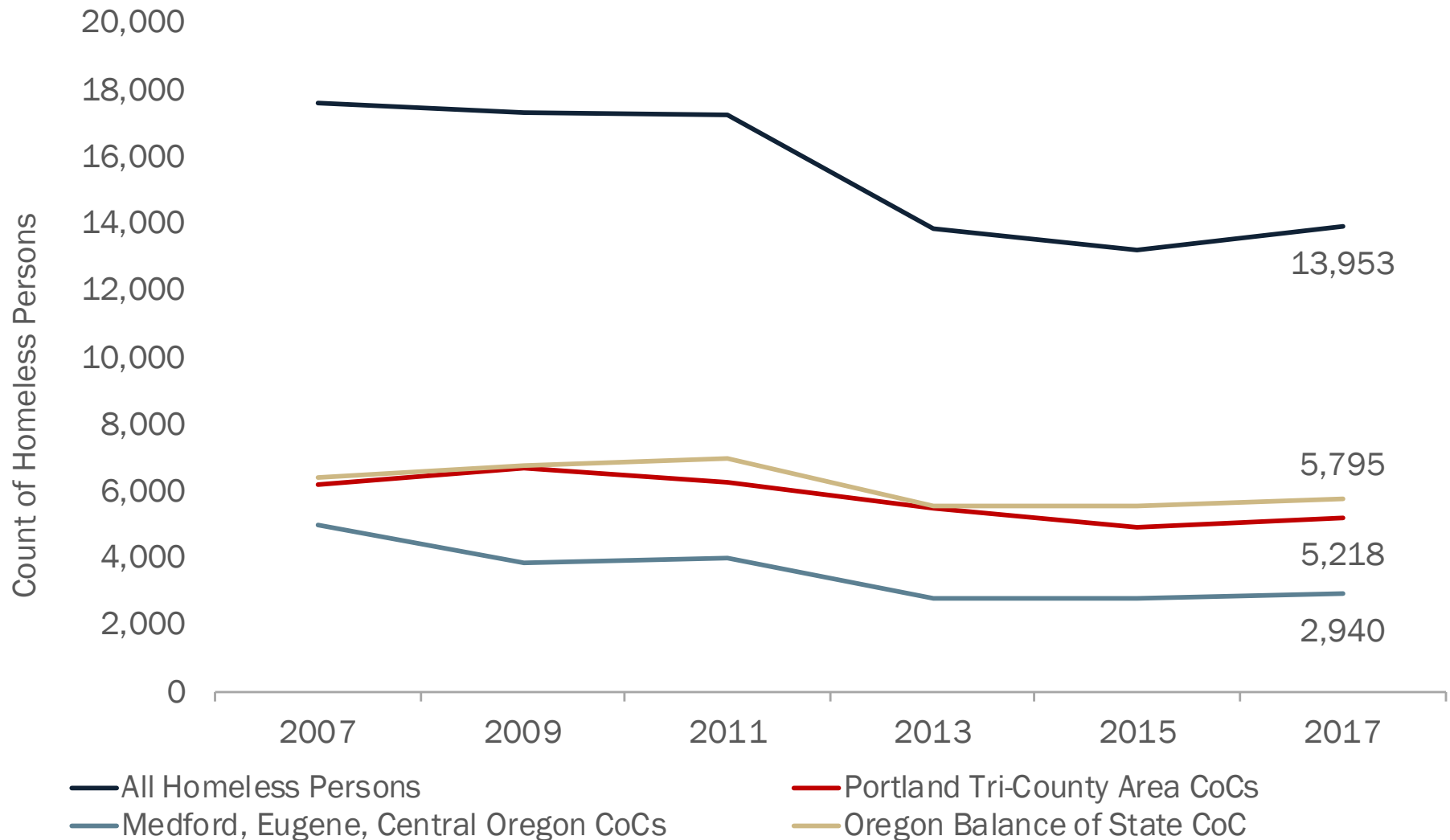
# Implication 5) Higher Rates of Homelessness



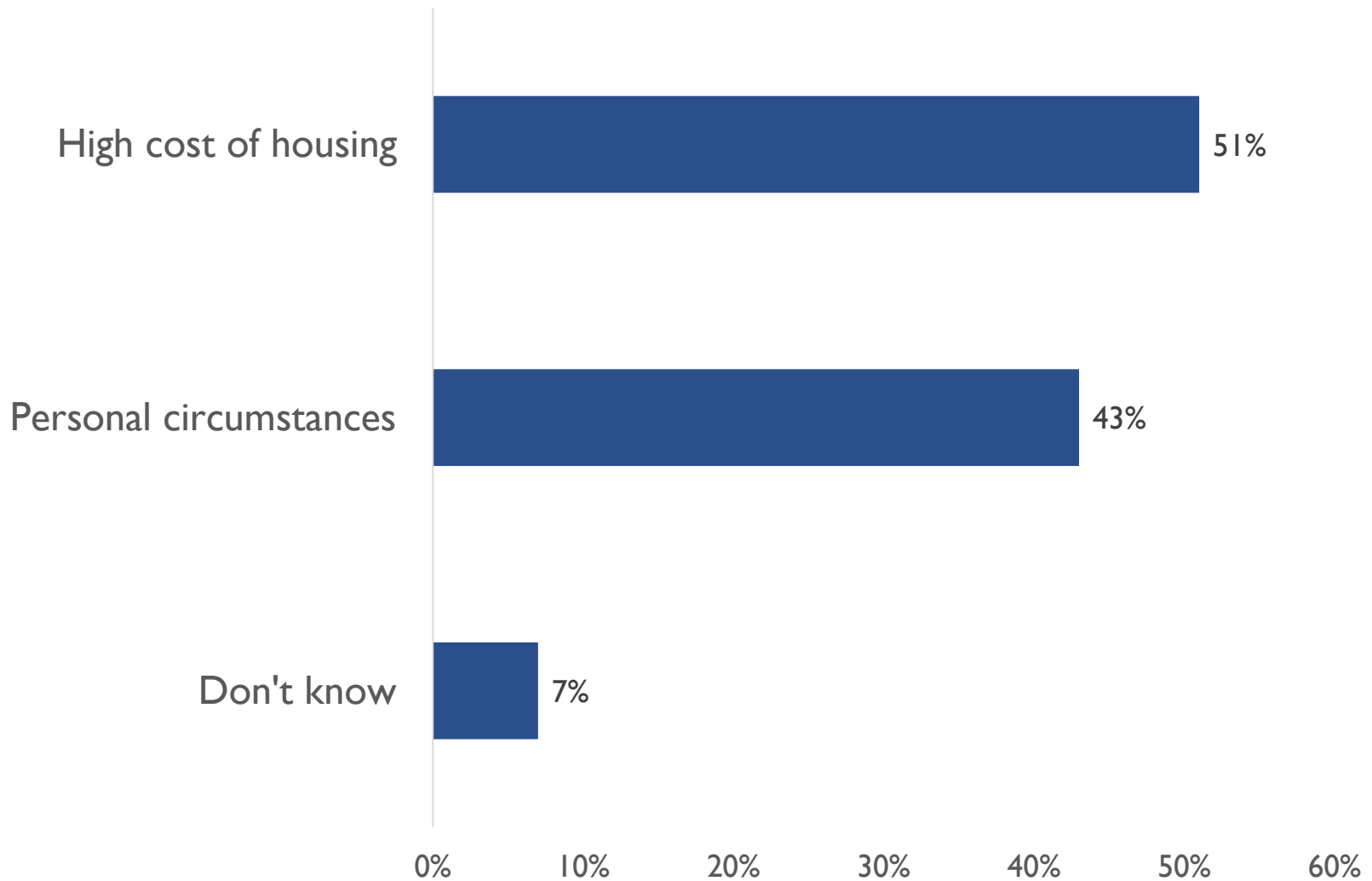
# Seven HUD Continuums of Care in Oregon



# Total Homelessness Across the State



# What's the key determinant of homelessness?



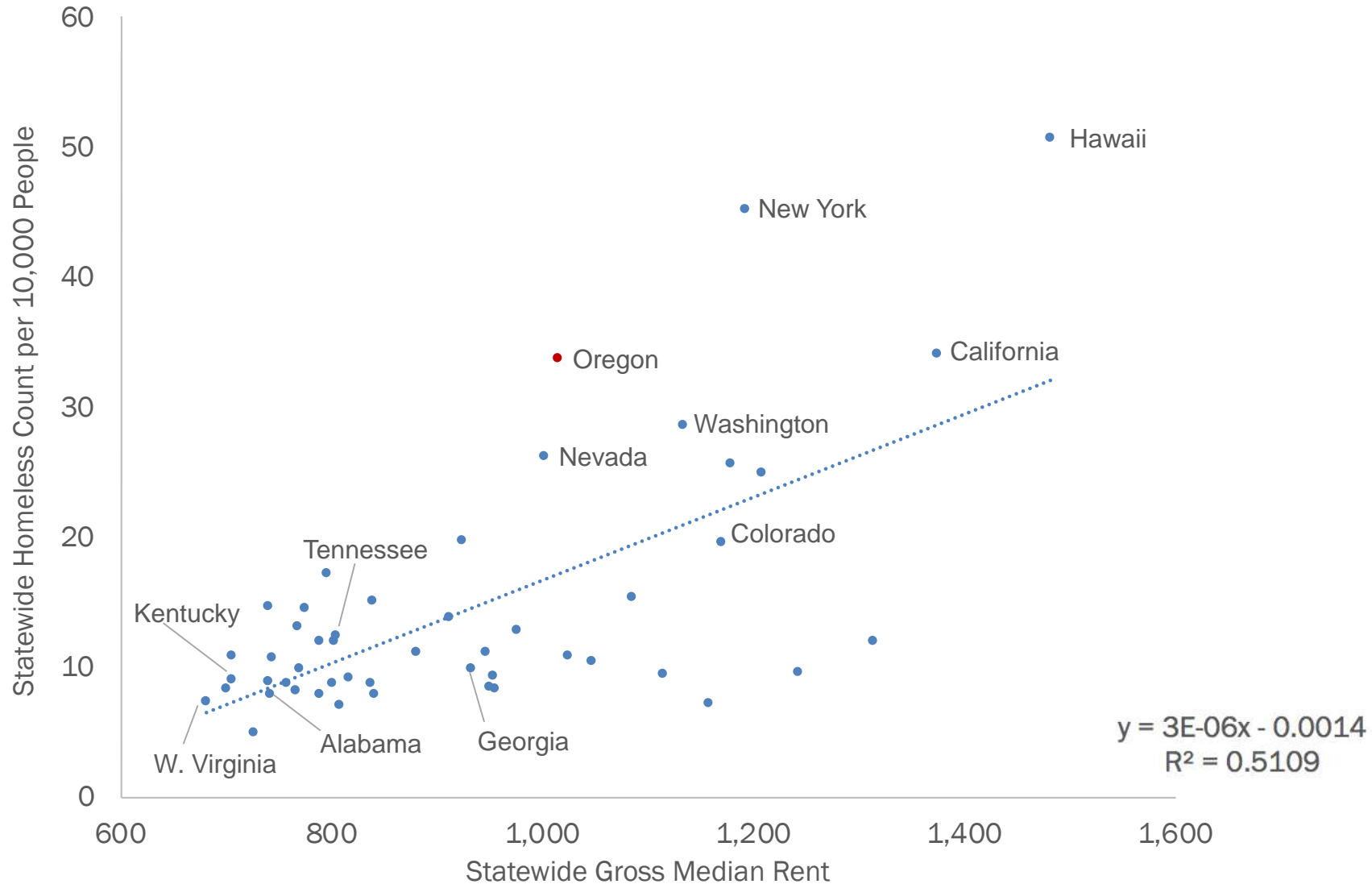
Source: KGW/DHM Research, Portland Homeless Survey, October 5, 2017

# Housing and Economic Relationships

Quigley and Raphael (2001) in *European Journal of Housing Policy*

- 10% increase in median gross rent corresponds to 13.6% increase in rate of homelessness
- 10% increase in the housing vacancy rate corresponds to 3.9% decline
  - Holding constant January weather, unemployment rate, and disability rates
  - N = 1,396 US metros & counties

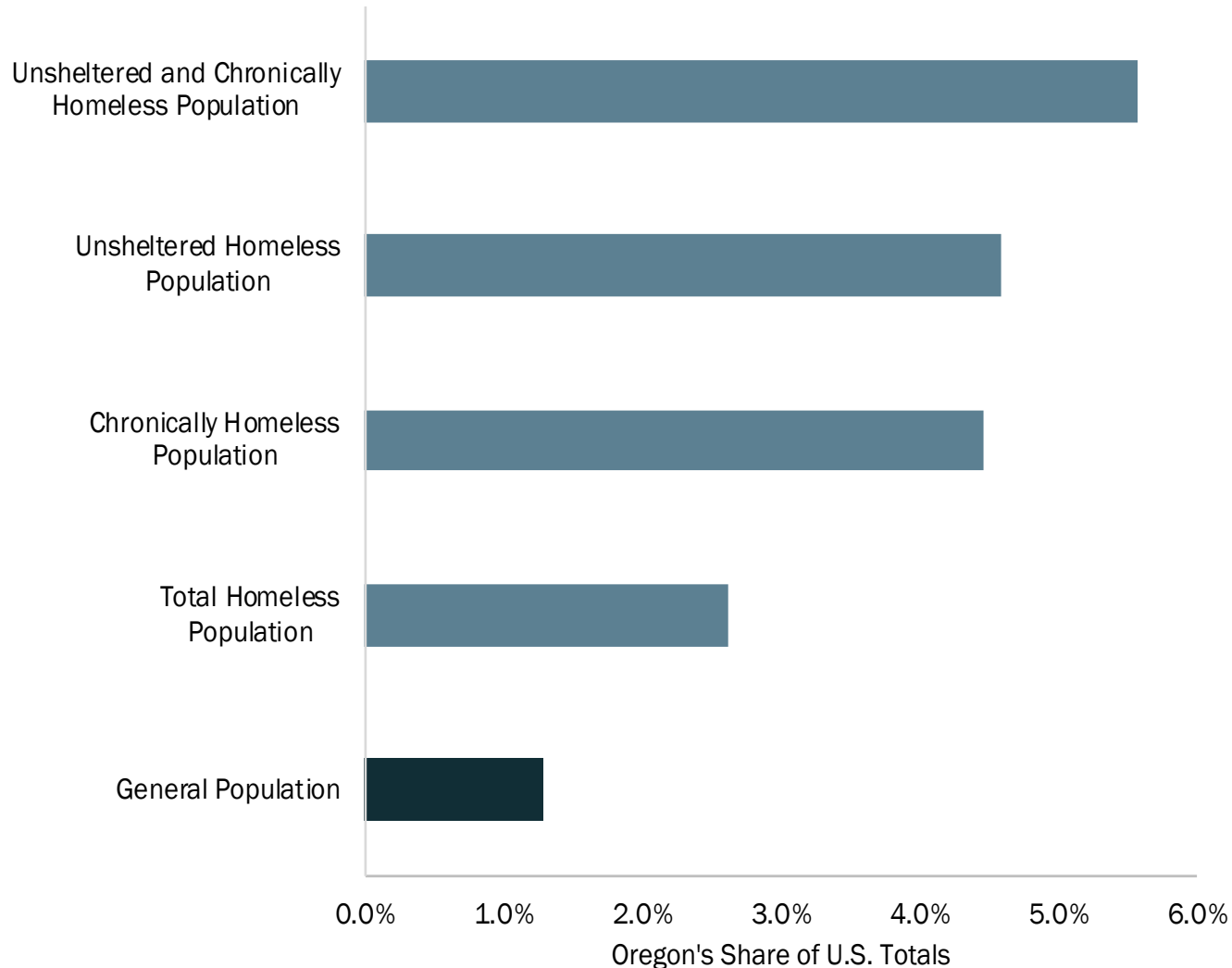
# Total Homelessness v. Median Gross Rents, 2017





# Key Takeaways

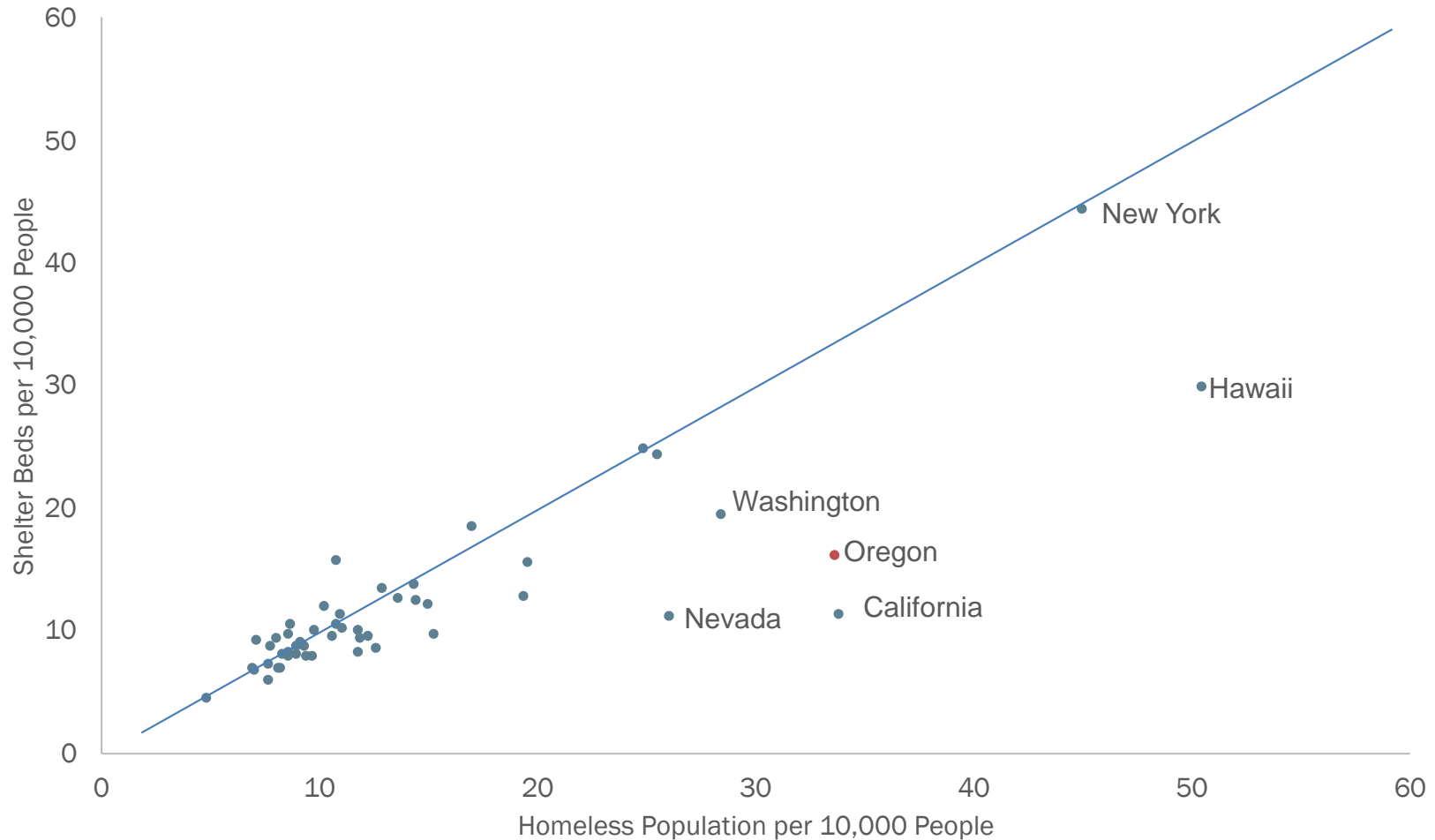
# Oregon has Disproportionate Share of Chronic, Unsheltered Homeless Populations



Source: ECONorthwest analysis of HUD 2017 Point-In-Time Counts, U.S. Census Bureau 2018 Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico, and 2017 United Nations World Population Prospects Division.

Notes: American Samoa is excluded from data, other territories are included. 2018 PIT data includes 2017 unsheltered figures.

# Emergency Shelters: Western States Stand Out with Less Shelter Capacity



Source: ECONorthwest analysis of HUD 2017 Point-In-Time Counts, HUD 2017 Housing Inventory Counts, and U.S. Census Bureau 2018 Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico.

Notes: Shelter Beds include all year round emergency shelter beds, transitional housing units, and safe haven beds for currently homeless individuals. Line demonstrates a relationship of 1:1 shelter bed to individual experiencing homelessness (it is not the line of best fit)

## Two, Related Crises

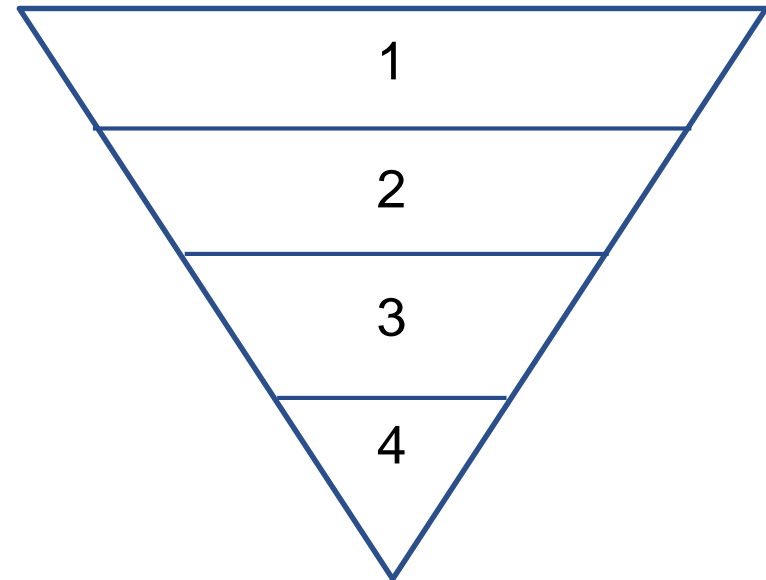
- One involves ~3,400 individuals struggling with mental/physical disabilities, substance abuse, criminal records, or circumstances creating housing barriers.
- Every community in the U.S.—large and small—has people who will struggle to maintain stable housing without significant, sustained support. Oregon is not unique.

## Two, Related Crises

- The second involves over 156,000 households —the episodic homeless and the growing number of severely cost-burdened households on the verge of homelessness.
- Oregon's second crisis is worse than in most other places, and it has two causes: a dysfunctional, under-supplied regional housing market and an unresponsive, discretionary rental assistance program.

# 2010 book *How to House the Homeless:* Four-Part Policy Framework

1. Market-based housing supply response
2. Means-tested, subsidized housing
3. Targeting programming for high-cost, high-needs individuals
4. Emergency shelters



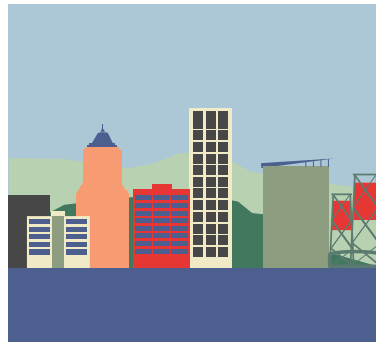
Questions?

# ECONorthwest

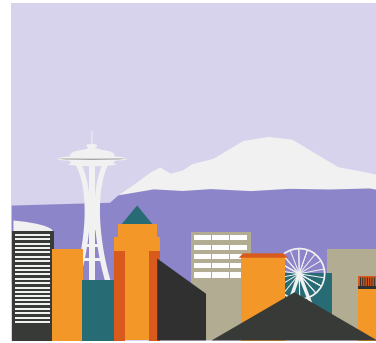
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